

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1755 – HB 1757

March 20, 2018

**SUMMARY OF ORIGINAL BILL:** Redefines the “surplus property” owned by a local education agency (LEA) to include real property. Requires a county LEA to declare surplus and transfer all real and personal property it owns within the boundaries of the municipality that is creating or reactivating a municipal LEA to the municipal school system. Requires the board for any LEA to determine the method of advertisement for surplus property sales, which may include a newspaper of general circulation or website maintained by the LEA or local government.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Expenditures – Exceeds \$1,100/Permissive

Other Fiscal Impact – To the extent a city creates a new local education agency (LEA), or re-activates an inactive LEA, there will be a permissive shift in local government expenditures between the county LEA and the municipal LEA for operations related to the property transferred. The extent and timing of any expenditure shifts cannot be reasonably determined due to unknown factors; however, any net impact to local government is considered to be not significant.

**SUMMARY OF AMENDMENT (015672):** Deletes all language after the enacting clause. Directs the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to conduct a study on the constitutional and equitable transfer of school property to a proposed city school system and other issues associated with forming a new city school system. Requires TACIR to report its findings to the General Assembly by the second Tuesday in January, 2019.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

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Assumptions for the bill as amended:

- TACIR will be able to conduct the study in accordance with the provisions of this legislation within existing resources; therefore, any fiscal impact is estimated to be not significant.
- No significant impact to local government operations.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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